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C O N F I D E N T I A L SECTION 01 OF 04 KABUL 000143

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STATE FOR SCA FOR A/S BOUCHER, PMOON, AND SCA/A STATE PASS TO USAID FOR AID/ANE, AID/CDHA/DG NSC FOR JWOOD OSD FOR MSHIVERS CENTCOM FOR CG CJTF-82 POLAD

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TAGS: <u>PGOV PREL ECON PTER SNAR KPAO PREF EAID AF</u>
SUBJECT: SCENESETTER FOR ASSISTANT SECRETARY BOUCHER'S
VISIT TO AFGHANISTAN

REF: KABUL 71

Classified By: Ambassador William B. Wood for reasons 1.4 (B) and (D)

(C) Your visit to Kabul takes place as parliament reconvenes to work on the election calendar and law and to reconsider the media law which President Karzai recently sent to parliament with questions. You will see Karzai's new governance initiatives beginning to show results. Your visit preceeds the planned arrival of the new Special Envoy and two weeks before the Tokyo Joint Coordinating and Monitoring Board (JCMB) which will focus on counternarcotics and discuss a more integrated counterinsurgency approach. You will be in Kabul on the eve of President Karzai's departure for the World Economic Forum where he will be making a major speech. This is all occurring as Afghanistan handles the fallout from the situation in Pakistan and deals with continuing tensions with Iran. We hope to use your visit to reiterate our support for Afghan sovereignty and laud the positives (governance initiatives and careful handling of Pakistan) as well as to signal areas of concern (lack of counter narcotics strategy and the government's flirtation with price controls).

New Governance Directorate Initiatives Producing Results

- 12. (C) Karzai's bold move to remove responsibility for governance from the Ministry of Interior and place it under the Palace in the new Independent Directorate for Local Governance (IDLG) led by Jelani Popal is paying off both in terms of results on the ground and hope that the President may finally be prepared to put good governance ahead of deal-making with cronies and opponents alike. Results include better appointments; more support for governors and accountability from them; a Policy Action Group (PAG) working group on governance; efforts to target resources to need (including playing a coordinating role to support post-operation initiatives in Musa Qala); and requiring governors to support reconciliation activities in the provinces. We want to underline support for this initiative and suggest similar bold approaches in other areas including counternarcotics and corruption.
- 13. (C) Popal won an important internal Afghan policy debate over the future of Community Development Councils, fending off Ministry of Rural Rehabilitation and Development efforts

to designate these councils, set up by the Ministry's National Solidarity Program, as the elected village councils called for in the Constitution. At Popal's urging, the government accepted that the Councils should continue in their current role as the government's key rural development vehicles within the Ministry, while Popal's office establishes appointed district councils to promote the government's counterinsurgency efforts in collaboration with local leaders, eventually to be replaced by elected district, village, and municipal councils as required by the Constitution. This decision makes the future of the Councils dependent upon continuing donor support for the National Solidarity Program. Minister of Finance Ahady remains opposed to further funding for the Councils largely because the massive program funnels development funds to projects chosen by 20,000 communities across the country rather than to his Afghan Millat party's power base among urban Pashtuns. The ability of the Rural Development Ministry to help the Councils sink more permanent institutional roots through further rounds of donor funding, and Popal's efforts to fully implement the Constitution's local governance provisions will together shape the governance agenda of the Afghan government for the next several years.

Parliament Faces Decisions on Elections and the Media

14. (C) The new session of parliament begins on January 21. The ability of the palace and parliament (Karzai and Speaker Qanooni personally) to work together will be tested by the need to reach agreement on the election calendar and the election law. Both sides appreciate the need for timely decisions and there are behind the scenes discussions to

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forge a consensus plan. Parliament will also have to reconsider the media law, which Karzai returned for further discussion, reportedly based on concern over Radio/Television Afghanistan being established as an independent rather than state entity. Recent statements by the National Ulema Council and the powerful Minister of Information and Culture criticizing the content of programming on independent media help shape the debate on this issue, but observers note that Karzai's election campaign would benefit from state-controlled media.

Security Situation and Policing Initiatives

15. (C/NOFORN) General McNeill is making good on his commitment to keep ISAF pressure on the insurgents over the winter. The tempo of ISAF operations in the South is steady. Regional Command South (RC-S) remains focused on Musa Qala district, the former Taliban stronghold liberated in December with Afghan National Army troops leading the final assault. The security situation immediately outside the Musa Qala District Center remains unsettled, and senior UK military and civilian representatives appear to lack a well-thought out plan to consolidate military gains with development and governance initiatives; they seem fearful of a repetition of missteps that could lead to another British defeat at Musa Qala by the Taliban. USAID is stepping up its activities, and we will look for ways to advise and bolster British efforts, but ultimately the British and Afghans have the lead in making Musa Qala a success. In contrast to the South, U.S.-led Regional Command-East (RC-E) is enjoying almost unprecedented quiet in recent weeks, attributable to Pakistani military actions distracting Taliban fighters, the winter weather, and the success of U.S. counterinsurgency strategy and tactics. Activity in the North and the West has also subsided in recent weeks due to the onset of winter weather. Unsuccessful on the battlefield, the insurgents are maintaining a steady pace of terrorist acts -- suicide bomber, improvised explosive devices -- to sow fear among the populace.

- 16. (C) Afghans strongly welcome media reports of the deployment of a 3,000-strong U.S. Marine unit for the 2008 fighting season. Current plans call for about 1200 Marines to provide force protection for Police Mentoring Teams (PMTs), which will provide a significant boost to police training efforts by meeting about 50 percent of the shortfall in the mentoring teams. The remaining Marines will take on combat roles in the South.
- (C) The new Combined Security Transition Command-Afghanistan (CSTC-A) strategy for police training, Focused District Development (FDD), is up and running in its first stage, with Afghan National Police (ANP) units from seven districts undergoing training at State/INL Regional Training Centers around the country. The first cycle of training is scheduled for completion by the end of February, at which time the trained units will return to their districts fully equipped and resume their duties. The elite Afghan National Civil Order Police (ANCOP) units back-filling for the police units in training are having a salutary effect on local corruption schemes, including illegal highway checkpoints. The Embassy and Combined Security Transition Command-Afghanistan are working to coordinate the U.S., Afghan, and international community development and governance programs with the Focused District Development schedule to focus a broader spectrum of assistance on targeted districts and reinforce where possible the security component of Popal's efforts.

Need for Stronger Action on Counternarcotics

18. (C) Overall Afghan poppy cultivation is expected to increase again in 2008 to new record levels. An exception is in Nangarhar Province, where the governor has taken an aggressive stance. The Government continues to oppose chemical eradication methods, including both aerial and ground-based spraying. The Ministry of Defense has

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consistently expressed reluctance to provide direct force protection to the Poppy Eradication Force, which is the Ministry of Interior's centrally-organized eradication force, for fear that the Afghan National Army will suffer adverse consequences, i.e., that resentment of the Afghan people and exposure to potential corruption. This will make forced eradication in 2008 very difficult, leading possibly to eradication figures lower in 2008 than 2007 when they exceeded 19,000 hectares (or nine percent of poppy cultivation). Counternarcotics is on the agenda for the Tokyo meeting of the Joint Coordination and Monitoring Board (JCMB). Thus far, the Afghan Government's version of its counternarcotics paper is very weak. Unless considerably strengthened, it will generate separate papers from the UK and the U.S. on the issue.

Good Economic News; Tough Development Challenges

- 19. (C) Despite an overall growth rate of 13 percent for the current year, the Afghan people are caught between steady incomes and rising food and fuel prices. Price levels have increased 15 percent overall, with the cost of staples increasing much more. Parliament and some ministers have reacted by calling for state intervention through price controls and subsidies. We have pushed back, supporting Finance Minister Ahadi's defense of market principles. Commerce Minister Farhang has called for international food aid, especially for vulnerable populations, and this seems possible. The economic outlook is positive for the coming year, with good winter snows suggesting adequate water for the agricultural sector (both licit and illicit) that underpins Afghanistan's economy.
- 110. (C) Provision of electricity is a priority and a mixed picture, reflecting the challenges involved in all

development projects. The repair of a turbine on a nearby dam has increase the supply to some districts of Kabul. Plans are on track for USAID's 100 megawatt generators and Uzbek power to be on line in Kabul by the start of the formal Presidential election campaign in 2009. Work on upgrading the power generating capacity of Kajaki Dam in Helmand Province faces immense difficulties. Two years ago we began by rehabiliting one of the two existing turbines, and made plans to install a third. As work shifted to the second turbine, worsening security brought the project to a halt. For more than a year work was impossible, as coalition forces conducting operations in the area were unable to clear a path to permit delivery of necessary parts and equipment.
Airlifts are about to begin, and the residential camp at the dam is being upgraded. As the second turbine is being rehabilitated, power output from Kajaki will drop, affecting either Kandahar or the recently liberated district of Musa Qala. Work is underway to bring diesel generator sets from Kandahar to mitigate the loss of output. At the same time, we are seeking to transport a large quantity of cement along an 80 kilometer security non-permission corridor to lay the groundwork for installing the third turbine. Bringing the third turbine along the same corridor will most likely require strong coalition force protection, and the 110 kilovolt power line running south from Kajaki needs to be refurbished. Mission is pushing to have Kajaki's expanded capacity available before next winter.

## Successful Communications

111. (C) The interim Government Media Center should be up and running by late March, in time to take over from the National Communications Coordinating Center (NC3). Presidential Spokesman Homayun Hamidzada plays an increasingly strong and positive role. The communications capability of some sections of the Government of Afghanistan continue to improve, media operations overall continue to suffer from a lack of initiative in responding to breaking news, a lack of creativity and capability in proactive media operations, and a tendency to adopt an adversarial relationship with the media.

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112. (C) The communications efforts of some of the international community, particularly the UN, and the various military commands continue to be plagued by a lack of coordination and bureaucratic inertia. ISAF and Operation Enduring Freedom communications operations are rarely able to respond in the same news cycle to the Taliban's rapid (and false) claims of battlefield success and accusations of civilian casualties. Real-time, Afghanistan-based, declassification and release authority for battlefield video footage, particularly from airstrikes, would enable the Coalition to disprove such claims quickly and discredit the Taliban in a single news cycle.

## Regional Issues

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113. (C) The cross-border Peace Jirga last August laid the ground work for Karzai and Musharraf having a more constructive dialogue, and Karzai visited Pakistan, at Musharraf's invitation, on December 27. He met Bhutto just a few hours before her assassination. He returned to Kabul with greater appreciation for the difficulties Musharraf is facing. The Afghans have quietly attended to the humanitarian needs of the more than 1000 families who recently crossed the border into Afghanistan in flight from Shia-Sunni fighting in Pakistan's Kurram Agency, declining to make an issue of it. While working-level cross-border dialogue and cooperation continues on trade, security, and refugee issues, Pakistan is too absorbed in domestic challenges to make a commitment to a follow-up Peace Jirga.

¶14. (C) Wanting to avoid both a "second front" or alienating the considerable Shi-ite minority which has close ties to Iran, Karzai continues to avoid criticizing Iran publicly for not doing more to stop cross-border trafficking of arms to the Taliban or otherwise meddling. More personally, Karzai deeply resents Iran's long relationship with and rumored financial assistance to his political opponents in the United Front. Foreign Minister Spanta and other advisors have become increasingly unwilling to criticize Iran in public, but remain outspoken in private. Deputy National Security Advisor Engineer Ibrahim shared that he welcomes the Iranians' recent unilateral cross-border activity at a border crossing at Islam Qala and harshly implemented deportation of unregistered Afghans (363,000 in 2007) as it makes clear to Afghans what kind of neighbor Iran really is.

## Background for Your Visit to Kunar

115. (C) While Kunar province remains a hub of insurgent activity, the general trend in governance, development, and security is positive. Governance improved markedly with the appointment of Sayed Fazlullah Wahidi, based on the recommendation of the Independent Directorate for Local Governance. Wahidi is already proving himself an adept administrator committed to anti-corruption measures. The Provincial Reconstruction Team's focus during the past year on road building for counterinsurgency appears to be pushing fighters out of the villages and onto ridgelines where military forces can engage them. Afghan National Police performance is inconsistent, but improving with training.

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